

TITLE 2. FAIR POLITICAL PRACTICES COMMISSION

NOTICE IS HEREBY GIVEN that the Fair Political Practices Commission (the “Commission,”), under the authority vested in it under the Political Reform Act (the “Act”)¹ by Section 83112 of the Government Code, proposes to adopt, amend, or repeal regulations in Title 2, Division 6 of the California Code of Regulations. The Commission will consider the proposed regulation at a public hearing on or after **October 14, 2010**, at the offices of the Fair Political Practices Commission, 428 J Street, Suite 800, Sacramento, California, commencing at approximately **10:00 a.m.** Written comments must be received at the Commission offices no later than **5:00 p.m.** on **October 12, 2010**.

BACKGROUND/OVERVIEW:

(1) Cost of Living Adjustment for Campaign Contribution Limits, Voluntary Expenditure Ceilings, and Officeholder Contribution Limits and Aggregate Contribution Limits: Adoption of Amendments to Regulation 18545.

Regulation 18545 sets forth current year contribution limits and voluntary expenditure ceilings. Under Sections 83124 and 85316(b) of the Act, the amounts must be adjusted biennially to reflect changes in the Consumer Price Index (“CPI”). Section 85316(b) permits post-election contributions to be made to elected state officers subject to calendar year limits and permits state office holders to receive such contributions subject to aggregate limits per calendar year. These limits must also be adjusted biennially to reflect changes in the CPI. The California Department of Finance (“DOF”) provides the calendar year CPI for all urban consumers. This amendment makes these adjustments for the period from January 1, 2011 through December 31, 2012.

The formula for adjusting contribution limits and voluntary expenditures (found at Regulation 18544(b)(1)) is:

Applicable Limit 2001	\times	$\frac{229.4 \text{ (average 2010 CPI)*}}{174.8 \text{ (CPI from 2000)}}$	=	2011 limit**
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* At the time of the filing of this notice, the September 2010 California CPI has not yet been released. As of June 2010, the average California CPI for all urban consumers was 229.4. However, this is subject to change and will be updated when the September 2010 California CPI is finally released pursuant to Regulation 18544.

** Rounded to the nearest \$100 for contribution limits; to nearest \$1,000 for voluntary expenditure ceilings.

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

For officeholder accounts, the formula for calculating the adjustments for contribution limits and aggregate limits applicable is as follows:

Applicable Limit 2007	X	$\frac{229.4 \text{ (average 2010 CPI)*}}{210.5 \text{ (CPI from 2006)}}$	=	2011 limit**
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* Rounded to the nearest \$100.

** At the time of the filing of this notice, the September 2010 California CPI has not yet been released. As of June 2010, the average California CPI for all urban consumers was 229.4. However, this is subject to change and will be updated when the September 2010 California CPI is finally released pursuant to Regulation 18544.

(2) Biennial Gift Limit Adjustment: Adoption of Amendment to Regulation 18940.2.

The gift limit is adjusted biennially by the Commission to reflect changes in the CPI. (Government Code Sections 87103(c) and 89503(f).) The DOF provides the calendar year CPI for all California urban consumers resulting in no change to the gift limit. The formula used to calculate the adjusted gift limit (found at Regulation 18940.2(d)(2)) is as follows:

Applicable Limit 1990	X	$\frac{229.4 \text{ (average 2010 CPI)*}}{135 \text{ (CPI from 1990)}}$	=	2011 limit**
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* At the time of the filing of this notice, the September 2010 California CPI has not yet been released. As of June 2010, the average California CPI for all urban consumers was 229.4 resulting in no change to the gift limit. However, this is subject to change and will be updated when the September 2010 California CPI is finally released pursuant to Regulation 18940.2.

** Rounded to the nearest \$10.

REGULATORY ACTION:

- (1) Amend 2 Cal. Code Regs. § 18545. The proposed amendments to Regulation 18545 reflect the adjusted contribution limits and voluntary expenditure ceilings for state candidates for the period of January 1, 2011, through December 31, 2012.
- (2) Amend 2 Cal. Code Regs § 18940.2. The proposed amendment updates the applicable period for the gift limit to January 1, 2011 through December 31, 2012.
- (3) Amend 2 Cal. Code Regs. §§ 18703.4, 18730 and 18943. The proposed amendments are technical only.

SCOPE:

The Commission may adopt or reject all or part of the language noticed herein, or it may choose new language to implement its decisions concerning the issues identified above or related issues. The Commission may delete provisions, adopt the language noticed herein, or choose new language to implement its policy regarding implementation of the CPI adjustments described above.

FISCAL IMPACT STATEMENT:

Fiscal Impact on Local Government. This regulation will have no fiscal impact on any local entity or program.

Fiscal Impact on State Government. This regulation will have no fiscal impact on any state entity or program.

Fiscal Impact on Federal Funding of State Programs. This regulation will have no fiscal impact on the federal funding of any state program or entity.

AUTHORITY: Government Code Section 83112 provides that the Fair Political Practices Commission may adopt, amend, and rescind rules and regulations to carry out the purposes and provisions of the Political Reform Act (Gov. Code Sections 81000 - 91014)

REFERENCE: The purpose of this regulation is to implement, interpret, and make specific the following:

2 Cal. Code Regs. § 18545. Government Code Sections 83124, 85301, 85302, 85303, 85316 and 85400.

2 Cal. Code Regs. § 18940.2. Government Code Sections 82028, 87100, 87102.5, 87102.6, 87102.8, 87103, 87207, 87300-87302, 89502, 89503 and 89506.

CONTACT: Any inquiries should be made to Valentina Joyce, Fair Political Practices Commission, 428 J Street, Suite 800, Sacramento, CA 95814; telephone (916) 322-5660 or 1-866-ASK-FPPC. Proposed regulatory language can be accessed at <http://www.fppc.ca.gov/index.php?id=247#2>.